Missouri School Funding Formula

Current Formula:

WADA/WAM X SAT X DVM – Local Effort = State Funding

• **Weighted Average Daily Attendance (WADA)/ Weighted Average Membership (WAM)** represents the pupil count in the formula. Districts and charter schools receive credit for the highest value of the current year or the first or second preceding regular school year Average Daily Attendance (ADA), plus the ADA for the most recent summer school. Additional weightings are included for populations of students who cost more to educate:
- Free and reduced priced lunch (FRL) rates above 16.73%,* weighted at 0.25
- Individual education plan (IEP) rates above 13.30%,* weighted at 0.75
- Limited English proficiency (LEP) rates above 2.09%,* weighted at 0.60

Starting with the 2025-26 school year, a portion of the student count will be based on Average Membership (i.e. enrollment), starting at 10% and increasing by 10% per year until it reaches 50% of the student count in school year 2029-30.

• **State Adequacy Target (SAT)** was first calculated as the average current expenditures of Performance Districts ($6,117). The SAT is recalculated every two years utilizing data from the current list of Performance Districts. The calculation uses baseline expenditure data from the initial calculation and adds any additional state revenue received by the Performance Districts, capped at 5% growth per recalculation. The recalculated SAT cannot decrease and is $7,145 for fiscal year 2025-26.

• **Dollar Value Modifier (DVM)** is an amount which represents an index of the relative purchasing power of a dollar based on regional wage ratios. Districts in areas with higher wage rates receive additional funding.

• **Local Effort** is an amount that represents the local tax dollars the district received in fiscal year 2004-05, assuming a Performance Levy of $3.43. This amount is modified only if assessed property values fall below the 2004

amount, or if fines received increase above the amount received in fiscal year 2004-05. Districts can levy higher or lower tax levies as approved by their local patrons.

History: The current funding formula was established through SB 287 in 2005, starting the 2006-07 school year (see Chapter 163, RSMo). The formula is based on a Successful Schools Model, in that a state and local funding target was established to match the current expenditure levels of Performance Districts meeting certain standards.

Also built into the foundation formula are hold harmless provisions, which are designed to ensure no district receives less funding due to the change from one foundation formula calculation method to another. There are two hold harmless types – one for school districts whose prior year ADA is above 350 and one for districts whose prior year ADA is 350 or below. The districts with a prior year ADA above 350 are guaranteed to receive a per pupil amount no less than they did in fiscal year 2004-05, modified by the DVM. The districts with a prior year ADA of 350 or below are guaranteed a total amount of state formula dollars no less than the amount that they received in fiscal years 2004-05 or 2005-06, whichever is higher, modified by the DVM.

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